

TEACHERS' RETIREMENT BOARD
BUDGETS AND AUDITS COMMITTEE

SUBJECT: 2001/2002 Budget Status Report

ITEM NUMBER: 4

ATTACHMENT(S): 1

ACTION:

DATE OF MEETING: February 7, 2002

INFORMATIONAL: X

PRESENTER: Peggy Plett

In its October 2001 meeting, the Board approved staff's request to proceed with the Deficiency Augmentation process to address the anticipated current year budget shortfall. At that time, the Board directed staff to redirect the Corporate Imaging BCP towards reducing the amount of the deficiency. The amount of the deficiency, as discussed in the October Board item, was based upon preliminary cost data and staff agreed to present final cost to the Board in the February 2002 meeting.

Note that while the specific items included in the request have not changed, the anticipated needs have been increased based upon current cost data. Staff was successful in reducing the overall estimated need by redirecting anticipated salary savings, Operating Expense and Equipment, and BCPs (over and above the action directed by the Board). The final estimated need is detailed in the following list:

	Anticipated Need	Budgeted	Difference
Teale Data Center	\$10,000,000	2,800,000	-7,200,000
START II	\$ 1,300,000	-0-	-1,300,000
START Maintenance/CIR's	\$ 1,250,000	-0-	-1,250,000
AB 1509 DBS	\$ 1,500,000	1,230,000	- 270,000
Maintain Service Levels	\$ 750,000	-0-	-750,000
BCP Redirection	-0-	3,500,000	3,500,000
Salary Savings	-0-	1,000,000	1,000,000
OE&E Redirection	<u>-0-</u>	<u>1,000,000</u>	<u>1,000,000</u>
	\$14,800,000	\$9,530,000	\$-5,270,000

As indicated above, the need for additional funding is approximately \$5,500,000. While the redirection of budget resources will impact our internal processes, the redirections are done in a manner that won't impact our ability to deliver service to our members.

A deficiency augmentation was submitted to the Department of Finance, and we anticipate moving forward in the process that will culminate in our request being incorporated in the Governor's Deficiency Bill.

STATE TEACHERS' RETIREMENT SYSTEM
MONTHLY BUDGET REPORT

2001/2002 FISCAL YEAR
December 31, 2001

January 17, 2002
B&A, Item 4

	BUDGET ALLOTMENT	YEAR TO DATE EXPENDITURES	YEAR TO DATE ENCUMBRANCES	REMAINING BALANCE	REMAINING PERCENT
PERSONAL SERVICES					
Salaries & Wages	\$25,988,035.00	\$11,717,056.63	\$0.00	\$14,270,978.37	54.91%
Staff Benefits	\$5,731,068.00	\$2,403,085.52	\$0.00	\$3,327,982.48	58.07%
TOTAL PERSONAL SERVICES	\$31,719,103.00	\$14,120,142.15	\$0.00	\$17,598,960.85	55.48%
OPERATING EXPENSES & EQUIPMENT					
General Expense	\$2,548,379.00	\$670,590.18	\$229,218.18	\$1,648,570.64	64.69%
Printing	\$1,351,000.00	\$329,650.65	\$455,448.09	\$565,901.26	41.89%
Communications	\$806,000.00	\$293,780.86	\$5,800.00	\$506,419.14	62.83%
Postage	\$776,200.00	\$558,415.40	\$10,323.94	\$207,460.66	26.73%
Insurance	\$11,000.00	\$1,027.61	\$0.00	\$9,972.39	90.66%
Travel In-State	\$324,200.00	\$55,749.24	\$0.00	\$268,450.76	82.80%
Travel Out-of-State	\$64,000.00	\$10,326.93	\$0.00	\$53,673.07	83.86%
Training	\$383,100.00	\$35,910.04	\$0.00	\$347,189.96	90.63%
Facilities	\$3,583,200.00	\$2,088,882.59	\$1,345,090.75	\$149,226.66	4.16%
C. & P.S.-Interdepartmental	\$1,142,500.00	\$353,584.89	\$724,710.81	\$64,204.30	5.62%
C. & P.S.-External	\$4,074,900.00	\$550,790.58	\$2,192,412.39	\$1,331,697.03	32.68%
Consol. Data Svc. (Teale)	\$4,876,000.00	\$2,921,333.78	\$1,100,127.67	\$854,538.55	17.53%
Data Processing	\$6,132,900.00	\$2,559,604.44	\$2,115,546.76	\$1,457,748.80	23.77%
Pro Rata	\$1,571,287.00	\$785,643.50	\$785,643.50	\$0.00	0.00%
Equipment	\$968,400.00	\$278,972.59	\$35,788.00	\$653,639.41	67.50%
Other Items of Expense	\$7,000.00	\$451.60	\$0.00	\$6,548.40	93.55%
TOTAL O.E. & E.	\$28,620,066.00	\$11,494,714.88	\$9,000,110.09	\$8,125,241.03	28.39%
TOTAL PERS. SER. & O. E. & E.	\$60,339,169.00	\$25,614,857.03	\$9,000,110.09	\$25,724,201.88	42.63%
REIMBURSEMENTS	(\$339,000.00)	(\$1,028.84)	\$0.00	(\$337,971.16)	99.70%
ED. CODE 22954 -SBMA-	(\$63,000.00)	\$0.00	\$0.00	(\$63,000.00)	100.00%
TOTAL STRS	\$59,937,169.00	\$25,613,828.19	\$9,000,110.09	\$25,323,230.72	42.25%